

**REQUEST FOR PROPOSALS**

**RFP # HHSC FY 07-015**

**FOR COMPETITIVE SEALED PROPOSALS TO PROVIDE:**

**CONTRACT MANAGEMENT SYSTEM**

**FOR**

**HAWAII HEALTH SYSTEMS CORPORATION**

**Hawaii Health Systems Corporation  
3675 Kilauea Avenue  
Honolulu, Hawaii 96816  
AN AGENCY OF THE HHSC OF HAWAII**

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## **SECTION 1** **GENERAL NOTICE**

### **1.1 INTRODUCTION**

This Request For Proposal (hereinafter "RFP") is issued by the Hawaii Health Systems Corporation (HHSC), an Agency of the HHSC of Hawaii. Thank you for your interest in submitting a proposal for this solicitation. The rationale for this RFP is to promote and ensure the fairest, most efficient means to obtain the benefits of the most qualified responsive and responsible proposal. Hereinafter, organizations interested in submitting a proposal in response to this RFP shall be referred to as "OFFERORS".

### **1.2 PROCUREMENT TIMETABLE**

The timetable set out herein represents HHSC's best estimate of the schedule that will be followed in the RFP process. If an event of the timetable, such as "Closing Date for Receipt of Proposals" is delayed, the rest of the timetable dates may be shifted by the same number of days. OFFERORS will be advised, by addendum to the RFP, of any changes to the timetable.

<b><u>Event</u></b>	<b><u>Scheduled Date</u></b>
RFP Issued.....	Thursday, September 21, 2006
Closing Date for Receipt of Questions .....	Wednesday, October 4, 2006
Closing Date for Receipt of Proposals .....	Wednesday, October 18, 2006
Proposal Evaluations, Clarifications .....	Oct. 19 – Nov. 17, 2006
Contractor Selection/Award Notification <b>(on/about)</b> .....	November 20, 2006
Contract Tentative Commencement Date .....	December 11, 2006

### **1.3 SUBMISSION OF QUESTIONS**

Offerors are encouraged to submit written questions, interpretations & substitution requests pertaining to the RFP. Question(s) must be submitted in writing to the Issuing Officer no later than the "Closing Date For Receipt of Questions", in order to generate an official answer. **Vendors may request changes and/or propose alternate language to the attached "General Terms and Conditions" during this phase only, all requests will be presented to the HHSC Legal Department for review. No requests to change the General Terms and Conditions will be entertained after the proposals have been submitted or during the contracting process. All written questions and/or approved changes will receive an official written response from HHSC and shall be recorded as addenda to the RFP.** The only official position of HHSC is that which is stated in writing and issued in the RFP as addenda thereto. No other means of communication, whether oral or written, shall be construed as a formal or official response/statement and may not be relied upon.

Send questions to:

**Ms. Katherine Richford  
Kona Community Hospital  
79-1019 Haukapila Street  
Kealahou, HI 96750  
PH: 808-322-6937  
Fax: 808-322-6940  
Email: krichford@hhsc.org**

### **1.4 SOLICITATION REVIEW**

OFFERORS should carefully review this solicitation for defects and questionable or objectionable matter. It is the responsibility of the OFFEROR to identify and resolve perceived ambiguities or inconsistencies through the submission of written questions and formal request process described above in paragraph 1.3. Comments concerning defects and questionable or objectionable matter must be made in writing and should be received by the Issuing Officer not later than the "Closing Date For Receipt of Proposals",

identified in paragraph 1.2, above. This will allow issuance of any necessary amendments to the RFP. It will also assist in preventing the opening of proposals upon which award may not be made due to a defective solicitation package.

### **1.5 RFP AMENDMENTS**

HHSC reserves the right to amend the RFP any time prior to the ending date for "Proposal Evaluations, Clarifications", identified in paragraph 1.2, above.

### **1.6 CANCELLATION OF RFP**

The RFP may be canceled when it is determined to be in the best interests of HHSC.

### **1.7 PROTESTS**

A protest based upon the content of the solicitation shall be submitted in writing within five (5) working days after the aggrieved individual/business knows or should have known of the facts giving rise thereto; provided further that the protest shall not be considered unless it is submitted in writing prior not later than the "Closing Date For Receipt of Proposals", identified in paragraph 1.2, above.

A protest of an award or proposed award shall be submitted within five (5) working days after the posting of award of the contract. The notice of award, if any, resulting from this solicitation shall be posted on the HHSC Procurement Office's Procurement Reporting System (PRS) at [http://www.hawaii.gov/spo2/source/search\\_form.php](http://www.hawaii.gov/spo2/source/search_form.php).

Any and all protests shall be submitted in writing to the CPO, as follows:

THOMAS M. DRISKILL, JR.  
Chief Procurement Officer  
Hawaii Health Systems Corporation  
3675 Kilauea Avenue  
Honolulu, Hawaii 96816

## **SECTION 2**

### **SCOPE OF SERVICES**

#### **2.1 INTRODUCTION**

This is a Solutions Based Procurement which is stating a problem. Your solution should state your company's answer to the problem. Through this method, the HHSC has attempted to provide the minimum amount of specifications and requirements. The HHSC does not want to limit your creativeness or ingenuity by overspecifying the requirements of this solicitation. Offerors should find it helpful to follow the "Offerors Checklist", Appendix B, included as an aid in developing your solution.

The purpose of this RFP is to award a hosted turnkey "**Contract Management System**" (CMS) for Hawaii Health Systems Corporation (HHSC). "Contract Management System" is defined as computer hardware, software, services, support, system maintenance, upgrades and training that will enable HHSC to create, store, retrieve, display, modify, amend, delete and otherwise manage contract documents.

Today, HHSC uses a manual process to track contracts. Contracts also include memorandum of agreement/understanding (MOA/MOU), and lease agreements. HHSC currently manages contractual documentation at various locations throughout the 12 hospitals. At times it is difficult to manage the volume of active contract documentation. Using a combination of Excel spreadsheets housed on a shared network drive, paper and scanned contracts are tracked for expiration and renewal. There are approximately 20 primary users of the system comprised of contracts personnel, regional material managers and legal employees located on Kauai, Oahu, Maui and the Big Island. Approximately, there are another 100 individuals on the islands who would use the system on a periodic, read-only basis. It is estimated that 5 people would need to be looking at contracts at any one time.

The CMS would need to store approximately 500 existing and 600 new contractual agreements processed each year by HHSC. In addition, there are approximately 800 physician-related contracts which must be independently tracked, requiring the capture of specific data elements not required by other contract types. These are subject to the Office of the Inspector General (OIG) inspection and relate to the satisfaction of specific Stark/Anti-Kickback federal regulatory requirements. The CMS needs to have the capability of handling these contracts. This functionality could be handled within the initial CMS deployment or in an additional phase. The CMS would be a stand alone system. It would only need to be capable of accepting a data file from the existing accounting system in order to display actual spend against contracted amounts. The preferred solution would be a web-based ASP for ease of use and maintenance.

The OFFEROR awarded a contract under this RFP shall be referred to as "CONTRACTOR" and responsible to perform "Scope of Services" requirements of paragraph 2.3, below.

#### **2.2 CONTRACT "TIME OF PERFORMANCE"**

The "time of performance" of contract will be for three year contract, with two (1) year extensions at negotiated costs, subject to mutual written agreement between HHSC and the CONTRACTOR. A Supplemental Agreement shall be executed by the CONTRACTOR and HHSC to exercise any and all extensions.

#### **2.3 SCOPE OF SERVICES**

The CONTRACTOR shall provide a **hosted, turnkey** "Contract Management System" (CMS) for Hawaii Health Systems Corporation (HHSC), in accordance with provisions and requirements set forth below.

## **General Requirements**

The objective of this RFP is to obtain a CMS solution that will fully serve HHSC's needs. The CMS should be scalable, web-enabled, user friendly, and capable of keeping up with latest technology. The solution proposed should be easy to navigate, with system administration permissions limited to specific users or groups. Changing user/group profiles, passwords, and workflows should be easily accomplished. HHSC does prefer systems conforming to its IT standard hardware/software configuration.

## **SCALABILITY**

Products and services being proposed in response to this RFP should be state-of-the art, and "scalable" to meet the needs of HHSC in the future. And to the extent possible, also be modular to allow HHSC to select the functionality required to meet its requirements and mandates.

## **WEB ENABLED**

Offerors should propose solutions that have the ability to provide access to data in various file formats, through a web interface that is quick and easy to use. Offerors should describe functions of the proposed product that can be accessed/displayed via the web, and which web browsers (i.e., Netscape, Navigator, Microsoft Explorer, etc.) can be used to access the data, and if there is any loss of functionality when using a specific browser. Offerors should also describe any additional cost (i.e. license fees) to provide access to data via the web and include such cost in the Offerors Business Proposal.

## **ENHANCEMENTS/UPGRADES**

The proposed software product should allow for the efficient implementation of modifications and upgrades. Such modifications and upgrades should be made without disruption of existing functions and should be performed at a time acceptable to HHSC. The proposed software products should support automatic distribution and download of modifications and upgrades to remote computers, including personal/desktop computers. The proposed software product should also recognize personalized features on the desktop, entity-wide changes, and customizations; and implement modifications and upgrades in such a manner to preserve such screens, menus, business rules and program changes. Offerors should describe how the proposed software product provides the functionality requested in this Section.

## **USER FRIENDLY**

The proposed software should be designed to maximize user productivity. Toward this end, there should be a consistent look and feel across modules and system navigation. The proposed software should promote abbreviated data entry, where possible. The goal is to reduce the time required to perform data entry while reducing data input errors. Offerors should describe all software and product features that promote ease of use.

## **TRAVEL EXPENSES**

It is not anticipated that any travel will be required from the contractor. Any travel costs will be mutually agreed to by the contractor and HHSC.

## **VALUE ADDED OPTIONS**

Offerors are encouraged to propose any value added options available when responding. Each Offeror is requested to provide details on what features, functions, or other considerations exclusive of the specified needs that may provide a distinct value to HHSC.

## **GLOSSARY**

It is suggested that each Offeror reference the “**GLOSSARY OF TERMS**” located in the back of this RFP when responding to any part(s) of this RFP for which the terminology appears to be unclear or ambiguous.

### **A. Project Objectives**

- Create a centralized electronic contract repository to facilitate information sharing
- Reduce time spent looking for documents (seek time)
- Provide a permanent secure back-up of documents
- Free up staff resources to enable a more robust offering of services
- Flexible and adaptable
- Easy to learn and use
- Improve work-flow and productivity
- Capture all appropriate information
- Comprehensive and have robust functionality
- Eliminate manual paperwork and unnecessary checks and controls
- Performance/productivity measurement capability
- Improve response time and support to HHSC

### **B. Core Services**

The Offeror's core solution should support the following:

- Contract Creation
- Contract Storing
- Contract Retrieval
- Contract Modification
- Contract Tracking and Logging
- Contract Handling and Management
- Implementation
- Support
- Training (Either On-site or Remote)
- Reports
- Security

**All associated costs should be outlined in the Offeror's Cost Proposal.**

## **Specific Requirements**

### **Contract Database:**

- Track total contract expenditure versus total contract value
- Notify users of contract expiration with flexible, user established periodic notifications
- Initiate and approve procurement requests and contract actions
- Assign contract actions

- Locate a contract using various search criteria (facility, vendor, contract number, etc.)
- Sort contracts by value - contract number, expiration date, contractor name, corporate contract, facility contract, etc.
- Edit and export a contract data elements to MS Word and MS Excel
- Ability to scan/upload contracts at each Corporate Contract Managers location
- Reporting capability

#### **Workload & Response Time:**

- Identify normal response times for routine transactions
- Capable of responding to simultaneous entries from multiple workstations
- Identify uptime during peak work hours, 8am – 4pm, Hawaii Standard Time
- Identify contractor peak periods, and the turnaround time associated with those periods
- Identify maximum throughput of proposed solution
- Meeting the needs of high priority, immediate contract turnaround requests. Include response time from time of the request. In addition, define response time i.e. phone, email, and etc

#### **Web-based Retrieval Accessibility & Licensing**

- File formats viewable with your proposed viewer
- Functionality capabilities provided through web interface
- Browsers your system supports
- Security used to control retrieval access
- User licenses for internet/intranet access and the cost of each additional license
- Any client software involved in providing web browser(s) and any associated cost
- Manipulation of the contract
- Web retrieval response time
- Protecting documents that are restricted or private from public viewing
- Importing, exporting, and managing documents in commonly-used file formats
- Use in a wide area network environment with T-1 connectivity

#### **Records Management**

- Management of the full life cycle of the record, from contract creation through declaration as a record to final disposition
- Flexible retention based on type of contract to include permanent retention
- Process for receiving, transporting, and disposing of agency data files
- Compliance with HIPAA.
- Software that would dispose of records with expiring retention schedule dates both properly and securely

#### **Security**

- Establishing security profiles for users (ie. social security numbers, date of birth, ,etc.)
- Assigning and managing users groups i.e. within HHSC
- Restricting public access to “confidential” documents
- Administrator-controlled security features
- Description of the security system currently in place
- Security on the Internal Network
- Protecting against Viruses and Spam
- Any Document sharing protection features
- Frequency of backup



- Disaster recovery procedures currently in place. Are warm or cold sites involved and the locations
- Procedures should data be lost in transport
- Procedures should data lost contain confidential information (Social Security numbers, etc.)
- Conform to HHSC IT Policies and Procedures - ITD0004, ITD0005, ITD0006, ITD0012, ITD0019, ITD0024 - available upon request

### **Risks**

- Risk Analysis – What internal or external factors could significantly impact the probability of completing this project on time and within budget?
- Risk Mitigation – What actions can be taken to mitigate the identified risks?
- Risk Sharing – Are there opportunities for mutually beneficial risk sharing?

### **Acceptance Criteria:**

- Receipt and acceptance of all defined deliverables for each phase of the project
- A formal sign-off document will be developed which includes acceptance criteria for each phase of the project. Also included will be performance measures based on HHSC requirements that will need to be met prior to formal signoff. These could include, but are not limited to website load times, result set load times as well as performance related to HHSC customization requirements

### **Maintenance & Support:**

- Provide commercially available updates and upgrades
- Help desk support
- Comply with Security access to maintain HHSC and Contractor contract confidentiality.
- Remote access via either HHSC IPSEC VPN (client or LAN-to-LAN) or HHSC Dial-up modem pool to connect to RIS system.

### **Warranties:**

- Warrants the system for one (1) year after final acceptance.

### **HHSC shall provide:**

- Initial and updated names of personnel requiring access
- Technical Representative  
The Technical Representative shall have the right but not the duty to oversee the successful completion of contract requirements, including monitoring, coordinating and assessing CONTRACTOR performance; and, approving completed work/services with verification of same for CONTRACTOR's invoices. The Technical Representative also serves as the point of contact (POC) for the CONTRACTOR for "Technical" matters (non-contractual) from award to contract completion. The Technical Representative is:

Kay Richford  
Contract Manager  
Hawaii Health Systems Corporation  
c/o Kona Community Hospital  
79-1019 Haukapila St.  
Kealahou, HI 96750

Phone: 808.322.6937  
Fax: 808.322.6940  
Email: krichford@hhsc.org

## **SECTION 3**

### **PROPOSALS**

#### **3.1 INTRODUCTION**

One of the objectives of the RFP is to make proposal preparation easy and efficient, while giving OFFERORS ample opportunity to highlight their proposal. When an OFFEROR submits a proposal, it shall be considered a complete plan for accomplishing the requirements described in this RFP.

#### **3.2 PROPOSAL PREPARATION**

Offerors shall prepare a written proposal in accordance with requirements stated herein and provide the proposal to the name and address indicated to the person below. The proposal shall address the technical and cost categories identified below. The technical and cost sections should be submitted as separate documents.

Proposals shall address and contain, at a minimum:

- The Technical Proposal information identified in 3.8, below.
- The Cost Proposal information identified in 3.9, below.
- Acceptance of our General Conditions, (see General Conditions, Appendix F)
- Transmittal Cover Letter, see Appendix A.
- References, Appendix C.
- The original or a certified copy of the following documents or Certification for Compliance Form (Appendix D):
  - “Tax Clearance Certificate” from the Hawaii HHSC Department of Taxation and the Internal Revenue Service. Refer to instructions below (or a copy of certificate stating Offeror has applied for same and will have before contract execution. see Appendix D)
  - “Certificate of Compliance” from the Hawaii HHSC Department of Labor and Industrial Relations. Refer to instructions below.
  - “Certificate of Good Standing” from the Department of Commerce and Consumer Affairs Business Registration Division. Refer to instructions below
  - **(Refer to Section 5.4 below, for instructions on how to obtain Tax Clearance, Certificate of Compliance and Certificate of Good Standing)**

Offerors must submit all data and information specified above to qualify proposals for evaluation and consideration for award.

Additionally, the General Conditions, the Special Conditions and the Scope of Services contained in this RFP packet shall be read by the Offeror as they form a part of the agreement to be entered into between the Offeror and HHSC, and they shall govern all work.

#### **3.3 COSTS FOR PROPOSAL PREPARATION**

Any and all costs incurred in the development of proposals, i.e. preparing and submitting, on-site visits, pre-proposal conference attendance, travel and lodging, etc. shall be the sole responsibility of OFFEROR.

#### **3.4 DISQUALIFICATION OF PROPOSALS**

HHSC reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in the RFP and which demonstrate an understanding

of the scope of services. Any proposal offering any other set of terms and conditions contradictory to those included in the RFP and General and Special Conditions or modified by subsequent addenda as a result of vendor requests following the "Closing Date For Receipt of Questions" phase may be disqualified without further notice. HHSC reserves the right to ask for clarification of any item in the proposal.

### **3.5 SUBMISSION OF PROPOSALS**

Each OFFEROR shall submit an original hard copy of the offer and must be accompanied by five (5) copies in the following electronic format: compact disk (CD) in one of the following formats: **CD-R; DVD ROM; DVD-R; or DVD+R.** Formats such as CD-RW, DVD-RAM, DVD-RW, DVD+RW, or DVIX **are not acceptable.** Every CD must be labeled with offeror's name, solicitation number, and specify whether contents address technical proposal or cost proposal. If multiple CD sets are provided, each CD in the set must be appropriately identified as to its relationship to the set, e.g., 1 of 2. Each CD must be identical to the original hard copy. File format shall be MS Word 97 or later. CD's should be submitted in hard plastic cases to avoid scratching. Please do not pack disks in packing peanuts.

**It is very important that the CD-R copies be exactly the same as the original hard copy since the evaluation panel will be given the electronic copies.**

The Issuing Officer must receive the proposal no later than 5:00pm, HST, on the "Closing Date For Receipt of Proposals", identified in paragraph 1.2 of SECTION 1. **Proposals received after this time/date may be rejected.** Mail or deliver sealed proposals to the following address (faxed or emailed proposal will not be accepted):

Kay Richford  
Issuing Officer, RFP # HHSC FY07-015  
Hawaii Health Systems Corporation  
c/o Kona Community Hospital  
79-1019 Haukapila St.  
Kealahou, HI 96750  
Phone: 808.322.6937  
Fax: 808.322.6940  
Email: krichford@hhsc.org

The outside cover of the package containing the proposal should be noticeably marked, as follows:

**Proposal Submitted in Response to: RFP # HHSC FY07-015**

### **3.6 PROPOSAL TRANSMITTAL COVER LETTER**

OFFERORS are required to submit proposals with a "transmittal cover letter". The transmittal cover letter must be on the OFFERORS official business letterhead; signed by an individual authorized to legally bind the OFFEROR; affixed with the corporate seal or notarized; and minimally include information, as written/requested, on the "sample" letter in APPENDIX A.

### **3.7 PUBLIC INSPECTION**

Proposals shall not be opened publicly, but shall be opened in the presence of two or more procurement officials. The register of proposals and OFFERORS proposals shall be open to public inspection after the contract is executed by all parties.

OFFERORS shall request in writing nondisclosure of designated trade secrets or other proprietary data to be confidential. Such data shall accompany the proposal and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. HHSC cannot guarantee that designated data will be kept confidential. The proposals are subject to disclosure rules set forth in Chapter 92F, H.R.S. The OFFEROR bears the burden of establishing that the designated data is exempted from the disclosure requirements set forth in chapter 92F.

All proposals and other material submitted by OFFERORS become the property of HHSC and may be returned only at HHSC's option.

### **3.8 TECHNICAL PROPOSAL**

The technical proposal shall include the categories listed below.

a. SUMMARY – Clearly and concisely summarize and highlight the contents of the proposal in such a way to provide HHSC with a broad understanding of the proposal.

b. BACKGROUND AND EXPERIENCE – Provide explicit details on Company's (Offeror's) background and experience relative to performing requirements of this request for proposal, including but not limited: (i) Background of the Company, i.e. services offered, size, resources, years in business, location, HHSC of Hawaii presence, HHSC of incorporation, etc., (ii) Brief description of Company's qualifications to perform "Scope of Services"; (iii) List relevant healthcare facility project experiences completed within the past five (5) years.

c. TECHNICAL APPROACH – Provide a detailed summary of the technical approach to perform requirements of the Scope of Services of the RFP. The following outline may be helpful in preparing your proposal. Your offer should address each of the areas outlined below (as applicable) and provide the information requested. As your offer will be evaluated based on the information you provide, failure to provide a complete and comprehensive presentation of your solution could negatively affect our evaluation of your offer.

1. Executive Overview: Your offer should include a summary of the proposed solution that reflects your understanding of both HHSC's needs and how your solution will satisfy those needs. Please explain your overall approach to the management of this effort, including a brief discussion of the total organization (structure and relationships among personnel and consultants / subcontractors).
2. Technical Overview: Your offer should include a summary of the proposed technical solution with enough detail to demonstrate an understanding of the current environment and scope of the project
3. Detailed explanation of proposed solution
  - 3.1 Management
    - 3.1.1 Implementation schedule
      - 3.1.1.1 from contract formation to installation and acceptance
      - 3.1.1.2 installation, testing, and pilot, as appropriate

- 3.1.1.3 detailed staffing deployment schedule
    - 3.1.1.4 milestones and deliverables
  - 3.1.2 Project management practices, policies, and certifications
  - 3.1.3 Application development methodologies
  - 3.1.4 Subcontracting, outsourcing, offshore contribution (if any)
  - 3.1.5 Escalation policies, practices, and contacts
  - 3.1.6 Risk analysis – identify the internal and external factors could significantly impact the probability of completing this project on time and within budget
    - 3.1.6.1 Risk mitigation – identify any actions that could be taken to mitigate the identified risks
    - 3.1.6.2 Risk sharing – identify any opportunities for mutually beneficial risk sharing
- 3.2 Technical. As appropriate, provide a explanation and/or information about the following, in detail:
  - 3.2.1 Functional capabilities of the proposed solution, including all performance capabilities, specifications and response times.
  - 3.2.2 Technical information about proposed solution, including technical specifications of any proposed equipment or services
  - 3.2.3 Software, if any, including manufacturer, functional capabilities, warranties, support levels, and documentation (any applicable license agreements and documents reflecting offeror's authority to include such software).
  - 3.2.4 Services included in the proposal and otherwise available
  - 3.2.5 Environmental requirements for the proposed solution. Include operating system version requirements as well as power, network connectivity,space requirements and any other requirements not listed. Also include, hardware type and model details.
  - 3.2.6 Software development plan, interfaces documentation, data synchronization, and replication plans, etc.
  - 3.2.7 Technical and operational manuals, by reference.
- 3.3 Change Management. Who initiates change requests, what justifications and explanations are included, risks associated with change, approval process, etc.
- 3.4 Installation and support.
  - 3.4.1 Installation – provide detailed information on the installation requirements and schedule.
  - 3.4.2 Training – explain any proposed training solution. Include plans for training new employees beyond the initial training cycle, employee readiness evaluations, training feedback, student-instructor ratios, duration of training, etc. Include plans for updating and maintaining training plans, system documentation, operational documentation, etc. For the duration of the implementation or term of the contract as appropriate. Include any other training solutions that are available.
  - 3.4.3 Support services including hardware and software maintenance – include an explanation of any proposed support services including performance guarantees. Identify all proposed maintenance including a detailed explanation of response times. Include any forms or agreements.

- 3.4.4 Data conversion requirements should include who is responsible for developing any data conversion programs, what the acceptable level of conversion, how many records are to be converted, who is responsible for entering any records that do not convert properly, etc.
  - 3.4.5 Service level agreements (SLA) with performance commitments. If appropriate, include industry standard response times and performance requirements for normal business processing and/or critical business processing as appropriate.
  - 3.4.6 Disaster recovery plans should be included, as appropriate.
  - 3.4.7 Back-up plans for proposed network, data, and systems outages and disruptions, if appropriate.
  - 3.4.8 Warranties – include all functional, performance, and quality of workmanship warranties. Describe acceptable warranty performance specifications and warranty performance reporting to include number of calls, number and type of repairs and changes, etc.
- 3.5 Intellectual property: explain the ownership rights to all proposed intellectual property.
- 3.6 Staffing
- 3.6.1 Contractor
    - 3.6.1.1 Key staff, their resumes, and areas of responsibility on this project
    - 3.6.1.2 Non-key staff, by number and areas of responsibility on this project
    - 3.6.1.3 State the number of state employees necessary and what training and skill levels are anticipated?
  - 3.6.2 Other – are there any other staffing requirements?

### **3.9 COST PROPOSAL**

The cost proposal shall include the following categories:

SUMMARY  
DIRECT COSTS  
INDIRECT COSTS  
SUMMARY OFFER

#### **3.9.1 SUMMARY**

Clearly, concisely and briefly summarize the contents of the proposal, in such a way, to provide HHSC with a broad understanding of the proposal. The Offeror should clearly show the Total Cost of Ownership per year, first year (first year warranty should be included in the original cost of the solution on the date of acceptance), second year with maintenance, third year with maintenance, fourth year with maintenance, and fifth year with maintenance. (Note: Break down all cost per year)

#### **3.9.2 DIRECT COSTS**

Direct costs are defined as “compensation/fee” of any products and services directly associated with performing “Scope of Service” requirements of this RFP. For example, firm fixed price for

licensing the software, implementation costs, maintenance and support, software customizations, training, etc.

Provide a detailed breakdown and summary total of direct costs. All worksheets and supportive documentation, in determining direct costs, shall be provided to enable HHSC evaluators to verify validity of computations and determine if costs are fair & reasonable.

### **3.9.3 INDIRECT COSTS**

Indirect costs are defined as “any and all other costs” to perform “Scope of Service” requirements of this RFP. For example, indirect costs may include costs for: transportation/travel, equipment, supplies, administration, taxes, insurance, lodging/housing, profit, etc.

Provide a detailed breakdown and summary total of indirect costs. All worksheets and supportive documentation, in determining indirect costs, shall be provided to enable HHSC evaluators to verify validity of computations and determine if costs are fair & reasonable.

### **3.9.4 SUMMARY OFFER**

Provide a summary total of the dollar amount offered to perform “Scope of Service” requirements of this RFP (sum of paragraphs 3.9.2 & 3.9.3, above).

The “Summary Offer” shall represent the total amount offered and if proposal is accepted, the “not to exceed” maximum payment amount to be specified in the contract document; excluding “optional services” costs of paragraph 3.11, below, and/or revised costs resulting from subsequent cost changes, negotiations, etc, if any.

### **3.10 OFFEROR OPTIONAL SERVICES**

OFFEROR optional services are defined as services and/or goods proposed (by OFFERORS) that are not included in the “Scope of Services” of the RFP and would be considered enhancements, thereof. Costs for OFFEROR optional services, selected by HHSC, will be added to the total amount of the Agreement (Contract) or be included in the contract as an optional service item to be exercised by HHSC, if and when elected.

Provide brief description and detailed costs for optional services proposed. All worksheets and supportive documentation, in determining costs for optional services, shall be provided to enable HHSC evaluators to verify validity of computations and determine if costs are fair & reasonable.

### **3.11 NON APPLICABLE PROPOSAL REQUIREMENT**

If any proposal requirement, as describe in this SECTION, is not applicable to the OFFEROR and therefor will/can not be provided, list the requirement(s) and provide detailed explanation of the reasons why the requirement(s) is not applicable. If none, please so state in your proposal. HHSC reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this SECTION.

### **3.12 NON ACCEPTANCE OF ANY RFP REQUIREMENT**

If any RFP requirement, as describe in this RFP, is not acceptable to the OFFEROR, list the requirement(s) and provide detailed explanation of the reasons why the requirement(s) is not acceptable and provide a recommended revision, if applicable. HHSC reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in the RFP.



### **3.13 PROPOSAL SUBMISSION CHECKLIST**

The proposal submission checklist is designed to be used as a tool to insure that all required documents/information is being submitted with OFFERORS proposal. The checklist is required to be completed by each OFFEROR and included (as the last document) in the proposal package. The proposal submission checklist is in APPENDIX B.

## **SECTION 4**

### **EVALUATIONS**

#### **4.1 INTRODUCTION**

The evaluation of proposals will be conducted comprehensively, fairly, and impartially. Structural, quantitative scoring techniques will be utilized to maximize the objectivity of the evaluation.

#### **4.2 PROPOSAL EVALUATION COMMITTEE**

An evaluation committee shall be designated by HHSC to perform all evaluation requirements. The committee will be composed of individuals with experience in, knowledge of, and program responsibility for the requirements identified in the RFP. HHSC reserves the right to request information (from OFFERORS) to clarify the OFFERORS proposal.

#### **4.3 EVALUATION PHASES**

Evaluation phases will be conducted as follows:

- Phase 1.....Evaluation of Mandatory Requirements
- Phase 2.....Technical Proposal Evaluation
- Phase 3.....Cost Proposal Evaluation
- Phase 4.....Recommendation for Contract Award

##### **4.3.1 PHASE 1--EVALUATION OF MANDATORY REQUIREMENTS**

The evaluation of the mandatory requirements, as listed below shall be based upon a “pass/no pass” basis. The purpose of this phase is to determine whether an OFFERORS proposal is sufficiently responsible and responsive to RFP requirements to permit a complete evaluation, i.e. responsible in terms of “Does the OFFEROR have the capability to perform fully the “Scope of Services” requirements; and responsive in terms of “Were proposal documents, as identified below, received and contain the required information”? Failure to meet any mandatory requirement (“no pass”) will be grounds for deeming the proposal non-responsible, non-responsive or both and disqualification thereof.

Proposal “**Mandatory Requirements**”:

- Proposal Cover Letter
- Technical Proposal
  - Summary
  - Background, Qualifications and Experience
  - Technical Approach
- Cost Proposal
  - Summary
  - Direct Costs
  - Indirect Costs
  - Summary Offer
- Documentation
  - References
  - Tax Clearance Certificate or Certification for Compliance Form
  - Certificate of Compliance or Certification for Compliance Form
  - Certificate of Good Standing or Certification for Compliance Form
- Proposal Submission Checklist

#### 4.3.2 PHASE 2--TECHNICAL PROPOSAL EVALUATION

Evaluation of OFFERORS technical proposal shall be conducted using the technical proposal categories and the evaluation scoring system identified in paragraph 4.4.

##### 4.3.2.1 PRODUCT DEMONSTRATION

Offerors shall be prepared to give the evaluation team access to the proposed system in order to test specific technical requirements contained in the Scope of Services. This would happen if selected as a Priority-List Offeror by HHSC.

#### 4.3.3 PHASE 3--COST PROPOSAL EVALUATION

Evaluation of OFFERORS cost proposal shall be conducted using the cost proposal category and the evaluation scoring system identified in paragraph 4.4.

#### 4.3.4 PHASE 4--RECOMMENDATION FOR CONTRACT AWARD

The Evaluation Committee shall prepare a report summarizing proposal evaluation findings/rankings and provide recommendation for award of contract to the CPO.

#### 4.4 EVALUATION CATEGORIES AND VALUE WEIGHT PERCENTAGES

Mandatory Requirements	Pass/No Pass
Technical Proposal	<u>Value</u>
Functional Capabilities.....	30 pts
Technical & Performance Capabilities.....	30 pts
Staffing.....	10 pts
Cost Proposal.....	30 pts
<b>TOTAL.....</b>	<b>100 pts</b>

The evaluation categories are assigned a value, as determined by HHSC, totaling 100. Each category will be rated by each member of the evaluation committee. The offeror's total score will be determined by a) totaling the score for all categories of each evaluation committee member; and b) totaling the score of all evaluators.

Note: In determining the total score, the Offeror's Price proposal with the lowest Prices will receive the highest available rating allocated to Prices. Each proposal that has a Price higher than the lowest will have a lower rating for Prices. The points allocated to higher-priced proposals will be equal to the lowest proposal price multiplied by the maximum points available for price, divided by the higher proposal price.

#### 4.5 BEST AND FINAL OFFERS (OPTIONAL)

Offerors may be requested to submit a "Best and Final" offer. "Best and Final" offers shall be evaluated and "scoring" of the Offerors proposal adjusted, accordingly. If a "Best and Final" offer is requested but not submitted, the previous submittal shall be construed as the "Best and Final" offer.

## **SECTION 5**

### **AWARD OF CONTRACT**

#### **5.1 AWARD OF CONTRACT**

Award of contract shall be made to the most responsible and responsive OFFEROR whose proposal is judged/determined, by the Evaluation Committee, to provide the best value to HHSC, considering all evaluation reviews and results.

#### **5.2 CONTRACT AWARD NOTIFICATION**

The Issuing Officer will inform the successful OFFEROR of contract award selection. Additionally, an official “notice of award” letter will be provided to the successful OFFEROR; and, a “notice of posting of award” letter shall be provided to all un-successful OFFERORS, at the earliest feasible date.

The notice of award, if any, resulting from this solicitation shall be posted on the Hawaii State Procurement Office website.

#### **5.3 CONTRACT AWARD DEBRIEFING**

If requested, HHSC shall provide a contract award debriefing. The purpose of a debriefing is to inform the non-selected OFFERORS of the basis for the source selection decision and contract award. A written request to the issuing officer for a debriefing shall be made within three (3) working days after receipt of the posting of award letter from HHSC and/or posting of the award of the contract on the Hawaii State Procurement Office website.

#### **5.4 METHOD OF AWARD**

##### **5.4.1 CONTRACT DOCUMENT**

The contract will be awarded by executing an “**Agreement for Goods or Services Based Upon Competitive Sealed Proposals**” (hereinafter “CONTRACT”) by HHSC and the successful OFFEROR (hereinafter “CONTRACTOR”). This document will serve as the official, legal contractual instrument between both parties. This document will incorporate (by attachments or reference) the RFP, with any and all addendums; GENERAL CONDITIONS and any SPECIAL CONDITIONS; and, the OFFEROR’s accepted proposal, with any and all addendums, changes, negotiated agreements, etc; all of which becomes part and whole of the CONTRACT.

A “sample” CONTRACT is at APPENDIX E. **Do not complete or execute the “sample” CONTRACT.**

##### **5.4.2 GENERAL CONDITIONS**

The **GENERAL CONDITIONS** (APPENDIX F) are applicable and shall be part and whole and attached to the CONTRACT. HHSC reserves the right to add terms and conditions during contract negotiations, if conducted. Additional terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

Of particular significance, please note/review the following conditions:

#### **A. TAX CLEARANCE CERTIFICATE**

Pursuant to § 103D-328, HRS, the CONTRACTOR is required to obtain/posses a Tax Clearance Certificate issued by the Hawaii HHSC Department of Taxation and the Internal

Revenue Service (IRS) prior to executing a contractual agreement with a HHSC Agency. The certificate is valid for six (6) months from the most recent approval stamp date on the certificate and must be valid on the date it is received by HHSC.

The Tax Clearance Certificate shall be obtained on the HHSC of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 10/2004) which is available at the DOTAX and IRS offices in the HHSC of Hawaii or the DOTAX website and by mail or FAX. Form A-6 is the responsibility of the CONTRACTOR and must be submitted directly to the DOTAX and not to HHSC.

DOTAX website: ([www.HHSC.hi.us/tax/tax.html](http://www.HHSC.hi.us/tax/tax.html)). Open "Forms" on the navigate sidebar and open "alphabetical Listing of Tax Forms"

DOTAX forms by FAX/Mail: 808 587-7572  
1 800 222-7572  
DOTAX forms by FAX: (on Oahu) 808 587-7572  
(outside of Oahu) 808 678-0522

#### **B. CERTIFICATE OF COMPLIANCE**

Pursuant to § 103D-310(c), HRS, the CONTRACTOR is required to obtain/posses a valid Certificate of Compliance from the Hawaii HHSC Department of Labor and Industrial Relations (DLIR) prior to executing a contractual agreement with a HHSC Agency. The certificate is valid for six months from the date of issue and must be valid on the date it is received by HHSC.

The Certificate of Compliance shall be obtained on the HHSC of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-122, HAR, Form LIR #27, which is available at [www.dlir.HHSC.hi.us](http://www.dlir.HHSC.hi.us) (open "Forms", open "LIR#27") or at the neighbor island DLIR District Offices. The application for the certificate is the responsibility of the OFFEROR and must be submitted directly to the DLIR and not to HHSC. The DLIR will return the form to the CONTRACTOR who in turn shall submit the form to HHSC.

#### **C. CERTIFICATE OF GOOD STANDING**

HAWAII BUSINESS. A business entity referred to as a "Hawaii Business", is registered and incorporated or organized under the laws of the HHSC of Hawaii. As evidence of compliance, the CONTRACTOR shall obtain/posses a Certificate of Good Standing issued by the Department of Commerce and Consumer Affairs Business Registration Division (BREG). A "Hawaii Business" that is a sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the certificate. A CONTRACTOR's status as sole proprietor and its business street address as indicated on the proposal transmittal cover letter (APPENDIX A) will be used to confirm that the CONTRACTOR is a Hawaii Business.

COMPLIANT NON-HAWAII BUSINESS. A business entity referred to as a "Compliant Non-Hawaii Business" is not incorporated or organized under the laws of the HHSC of Hawaii but is registered to do business in the HHSC. As evidence of compliance, the CONTRACTOR shall obtain/posses a Certificate of Good Standing issued by the Department of Commerce and Consumer Affairs Business Registration Division (BREG).

The Certificate of Compliance can be obtained by phone (call 808 586-2727, M-F 7:45---4:30 HST) or by mail (Department of Commerce and Consumer Affairs, Business Registration Division, POBox 40, Honolulu, Hawaii 96810). The certificate is valid for six months from date of issue and must be valid on the date it is received by HHSC.

#### **D. HAWAII COMPLIANCE EXPRESS**

Alternatively, OFFERS may apply and obtain proof of compliance with the above agencies electronically through the Hawaii State Procurement Office's new "Hawaii Compliance Express" website. Instructions for using this new service can be found in Appendix I

#### **5.5 ADDITIONAL SERVICES**

During the course of the CONTRACT, the CONTRACTOR may be requested to perform additional services, not identified under the "Scope of Services". The services will be within the "general scope" of the basic CONTRACT.

If additional services are required, HHSC's Contract Administrator will provide the CONTRACTOR a written description of the services and request CONTRACTOR's review and acceptance. If accepted, the CONTRACTOR shall submit an acceptance letter including a detailed cost proposal (a firm-fix price quote) to perform the services. The cost proposal will be subject to negotiations, as necessary, to determine and mutually agree upon a fair and reasonable price for the performance of the additional services.

The CONTRACTOR will not commence performance of additional services until a Supplemental Agreement (contract amendment) is executed.

**PROPOSAL COVER LETTER**

Kay Richford  
 Issuing Officer, RFP # HHSC FY07-015  
 Hawaii Health Systems Corporation  
 c/o Kona Community Hospital  
 79-1019 Haukapila St.  
 Kealahou, HI 96750

Ms. Richford:

          (Name of Business)           proposes to provide any and all goods and services as set forth in the "Request for Proposals for Competitive Sealed Proposals" to provide a "Contract Management System", **RFP # HHSC FY07-015**, for which fees/costs have been set. The fees/costs offered herein shall apply for           (insert applicable period of time)          .

It is understood and agreed that           Name of Business           have read HHSC's Scope of Services described in the RFP and that this proposal is made in accordance with the provisions of such Scope of Services. By signing this proposal,           (Name of Business)           guarantee and certify that all items included in this proposal meet or exceed any and all such Scope of Services.

          (Name of Business)           agree, if awarded the contract, to provide the goods and services set forth in the RFP; and comply with all terms and conditions indicated in the RFP, General and Special Conditions; and at the fees/costs set forth in this proposal. The following individual(s) may be contacted regarding this proposal:

\_\_\_\_\_  
 \_\_\_\_\_

Other information:

Business telephone #: \_\_\_\_\_ Federal Tax ID #: \_\_\_\_\_

Facsimile #: \_\_\_\_\_ Hawaii GET Lic ID #: \_\_\_\_\_

E-mail address: \_\_\_\_\_

          (Name of Business)           is a:        Sole Proprietor        Partnership        Corporation  
       Joint Venture Other        (Specify) \_\_\_\_\_

HHSC of Incorporation is:        Hawaii        Other        (Specify) \_\_\_\_\_  
 \_\_\_\_\_

The exact legal name of the business under which the contract, if awarded, shall be executed is: \_\_\_\_\_.

\_\_\_\_\_  
 (Authorized Bidder's Signature, Printed Name/Title; Corporate Seal or Notarized)

Encl: Proposal





**PROPOSAL SUBMISSION CHECKLIST**

<b>*Please Check Off Items Submitted</b>	<b>For HHSC Use</b>	
_____	_____	Proposal Received "On-Time"
_____	_____	One Original & five (5) Copies of Proposals
_____	_____	Proposal Transmittal Cover Letter:
_____	_____	Official Business Letterhead
_____	_____	Authorized Signature
_____	_____	Corporate Seal or Notarized
_____	_____	Required Information
_____	_____	Technical Proposal
_____	_____	Summary
_____	_____	Background, Qualifications and Experience
_____	_____	Technical Approach
_____	_____	Cost Proposal
_____	_____	Summary
_____	_____	Direct Costs
_____	_____	Indirect Costs
_____	_____	Summary Offer
_____	_____	Optional Services Costs
_____	_____	Documentation
_____	_____	Tax Clearance Certificate
_____	_____	Certificate of Compliance
_____	_____	Certificate of Good Standing
_____	_____	Non Applicable Proposal Requirement(s)
_____	_____	Non Acceptance of "Scope of Services" Requirement(s)
_____	_____	All Data and Information Required of the RFP
_____	_____	Proprietary Documents
_____	_____	Others (List)
_____	_____	Proposal Submission Checklist

**\*IF SPECIFIC ITEM(S) ARE NOT APPLICABLE, MARK WITH "N/A"---DO NOT LEAVE BLANK.**

**REFERENCES**

Offerors shall list below at least two (2) references for which the Offeror has provided similar Work. The HHSC reserves the right to contact each of the listed firms to inquire about the services and capabilities of the Offeror.

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Brief description of Work performed \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Brief description of Work performed \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## Appendix D

(Offerors may provide an original, certified copy of a valid tax clearance certificate or may complete the following while waiting for receipt of same):

### CERTIFICATION FOR COMPLIANCE DOCUMENTS

I certify that I submitted applications for the State and IRS tax clearance, DLIR and COGS certificates on \_\_\_\_\_ and have not received copies at the time I submitted this offer.

Upon receipt of the compliance documents, I will immediately send them to your office:

Kay Richford  
Contract Manager  
Kona Community Hospital  
79-1019 Haukapila Street  
Kealahou, HI 96750

Signature (Original): \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

**SAMPLE**

**HAWAII HEALTH SYSTEMS CORPORATION  
AGREEMENT FOR GOODS OR SERVICES  
BASED UPON COMPETITIVE SEALED PROPOSALS**

**AGREEMENT #: FYXX-XXX**

**THIS AGREEMENT**, executed on the respective dates of the signatures of the parties shown hereafter, is effective as of \_\_\_\_\_, between Hawaii Health Systems Corporation, an Agency of the HHSC of Hawaii (hereinafter "HHSC"), by its Chief Executive Officer (hereinafter "CEO"), whose address is 3675 Kilauea Avenue, Honolulu, Hawaii 96816, and \_\_\_\_\_, (hereinafter "CONTRACTOR"), a \_\_\_\_\_, under the laws of the HHSC of \_\_\_\_\_ whose business address and taxpayer identification number are as follows: \_\_\_\_\_.

**RECITALS**

A. The HHSC is in need of the goods or services, or both, described in this Agreement and its attachments.

B. The HHSC has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the HHSC, taking into consideration price and the evaluation factors set forth in the request.

D. The HHSC desires to retain and engage the CONTRACTOR to provide the goods or services, or both, as the case may be, and the CONTRACTOR is agreeable to providing said goods or services, or both.

**NOW, THEREFORE**, in consideration of the promises contained in this Agreement, the HHSC and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the HHSC, provide all the services set forth in the request for competitive sealed proposals, **RFP # HHSC FYXX-XXX** ("REQUEST"), and the CONTRACTOR's accepted proposal, including any and all revisions/addendum's/negotiated agreements thereto (collectively "PROPOSAL"), both of which, even if not physically attached to this Agreement, are hereby made a part of this Agreement.

2. Time of Performance. The performance required of the CONTRACTOR under this Agreement shall be executed in accordance with the time period set forth in the \_\_\_\_\_REQUEST.

3. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Agreement, in accordance with the FEE HHSCd in the PROPOSAL; and, at a total amount not to exceed \_\_\_\_\_

\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), including taxes and expenses incurred.

4. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR, is attached and is made a part of this Agreement.

5. Other Terms and Conditions. The General Conditions and any Special Conditions are attached hereto and made a part of this Agreement (or, Any Special Conditions are attached hereto and made a part of this Agreement). In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) Agreement, including all attachments and addenda; (2) Request, including all attachments and addenda; and (3) Proposal.

6. Notices. Any written notice required to be given by any party to this Agreement shall be (a) delivered personally, or (b) sent by United HHSCs first class mail, postage prepaid. Notice required to be given to the CEO shall be sent to: HHSC, President & Chief Executive Officer, HHSC, 3675 Kilauea Avenue, Honolulu, Hawaii 96816. Notice to the “head of the purchasing agency” and/or “Agency Procurement Officer” as denoted in the General Conditions shall be sent to: HHSC, Attn: Procurement Office, 3675 Kilauea Avenue, Honolulu, Hawaii 96816. Notice to the CONTRACTOR shall be sent to the CONTRACTOR’s address as indicated in this Agreement. A notice shall be deemed to have been received three (3) days after mailing or at the time or actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the HHSC in writing of any change of address.

**IN VIEW OF THE ABOVE**, the parties execute this Agreement by their signatures, on the dates below, to be effective as of the date first above written.

**HHSC**

SIGNATURE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**\*CONTRACTOR**

SIGNATURE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**\* Evidence of authority of the CONTRACTOR's representative to sign this Agreement for the CONTRACTOR must be attached.**

## CONTRACTOR'S ACKNOWLEDGMENT

HHSC of \_\_\_\_\_

County of \_\_\_\_\_ City of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, before me personally appeared

\_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he/she is the \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_, the CONTRACTOR named in the foregoing instrument, and that he/she is authorized to sign said instrument in behalf of the CONTRACTOR, and acknowledges that he/she executed said instrument as the free act and deed of the CONTRACTOR.

### NOTARY PUBLIC:

SIGNATURE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

COMMISSION EXPIRES: \_\_\_\_\_

## CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

I certify that the services to be provided under this Agreement by the CONTRACTOR may be performed concurrently with the CONTRACTOR's private business or profession or other private employment, and that it is impracticable to ascertain or anticipate the portion of time to be devoted to the service of the HHSC or HHSC. Pursuant to section 76-16(15), Hawaii Revised Statutes, the services are exempt from the HHSC civil service.

\_\_\_\_\_, Date: \_\_\_\_\_

Thomas M. Driskill, Jr.  
President & Chief Executive Officer  
Hawaii Health Systems Corporation



## **STANDARDS OF CONDUCT DECLARATION**

For the purposes of this declaration:

“Controlling interest” means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty percent (50%).

“Employee” means any nominated, appointed, or elected officer or employee of the HHSC or HHSC, including members of boards, commissions, and committees, and employees under contract to the HHSC or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges.

On behalf of \_\_\_\_\_, CONTRACTOR, the undersigned does declare, under penalty of perjury, as follows:

1. CONTRACTOR   (is)     (is not)   a legislator or an employee or a business in which a legislator or an employee has a controlling interest.\*
2. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Agreement and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of the Agreement, if the legislator or employee had been involved in the development or award of the Agreement.
3. CONTRACTOR has not been assisted or represented for a fee or other compensation in the award of this Agreement by a HHSC or HHSC employee or, in the case of the Legislature, by a legislator.
4. CONTRACTOR has not been represented or assisted personally on matters related to the Agreement by a person who has been an employee of the HHSC or HHSC within the preceding two (2) years and who participated while in HHSC office or employment on the matter with which the Agreement is directly concerned.
5. CONTRACTOR has not been represented or assisted on matters related to this Agreement, for a fee or other consideration by an individual who, within the past twelve (12) months, has been a HHSC or HHSC employee, or in the case of the Legislature, a legislator.
6. CONTRACTOR has not been represented or assisted in the award of this Agreement for a fee or other consideration by an individual who, 1) within the past twelve (12) months, served as a HHSC or HHSC employee or in the case of the Legislature, a legislator, and b) participated while an employee or legislator on matters related to this Agreement.

CONTRACTOR understands that the Agreement to which this document is attached is voidable on behalf of the HHSC or HHSC if this Agreement was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the HHSC or HHSC.

**CONTRACTOR**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*Reminder to FACILITY: if "is" is circled, YOUR FACILITY is required, under section 84-15, Hawaii Revised Statutes, to file with the HHSC Ethics Commission, ten (10) days before the Agreement is entered into, a written justification as to why the Agreement was not required to be competitively bid.

**GENERAL CONDITIONS  
(NON PHYSICIAN HEALTHCARE SERVICES)**

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1. **COORDINATION OF SERVICES BY THE HHSC.** The “head of the purchasing agency,” (which term includes the designee of the head of the purchasing agency), shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Agreement. The CONTRACTOR shall maintain communications with the head of the purchasing agency at all stages of the CONTRACTOR’s work, and submit to the head of the purchasing agency for resolution any questions which may arise as to the performance of this Agreement. “Purchasing agency” as used in these General Conditions means and includes any governmental body, which is authorized to enter into contracts for the procurement of services.

2. **RELATIONSHIP OF PARTIES: INDEPENDENT CONTRACTOR STATUS AND RESPONSIBILITIES, INCLUDING TAX RESPONSIBILITIES.**

a. In the performance of services required under this Agreement, the CONTRACTOR is an “independent contractor,” with the authority and responsibility to control and direct the performance and details of the work and services required under this agreement; however, the HHSC shall have a general right to inspect work in progress to determine whether, in the HHSC’s opinion, the services are being performed by the CONTRACTOR in compliance with this Agreement. Unless otherwise provided by special condition, it is understood that the HHSC does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the HHSC.

b. The CONTRACTOR and the CONTRACTOR’s employees and agents are not by reason of this Agreement, agents or employees of the HHSC or the HHSC of Hawaii (“HHSC”) for any purpose, and the CONTRACTOR and the CONTRACTOR’s employees and agents shall not be entitled to claim or receive from the HHSC or the HHSC any vacation, sick leave, retirement, workers’ compensation, unemployment insurance, or other benefits provided to HHSC or HHSC employees.

c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR’S performance under this Agreement. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR’S employees and agents, and to any individual not a party to this Agreement, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR’S employees or agents in the course of their employment.

d. The CONTRACTOR shall be responsible for payment of all applicable federal, HHSC, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Agreement, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Agreement.

e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, HHSC of Hawaii, in accordance with Section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, HHSC of Hawaii, showing that all delinquent taxes, if any, levied or accrued under HHSC law against the CONTRACTOR have been paid and submit the same to the HHSC prior to commencing any performance under this Agreement. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under section 103-53, HRS, and paragraph 14 of these General Conditions.

f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR’s employees and agents that is or may be required by law, and for payment of all premiums, costs and other liabilities associated with securing the insurance coverage.

3. **PERSONNEL REQUIREMENTS.**

a. The CONTRACTOR shall secure, at the CONTRACTOR’s own expense, all personnel required to perform this Agreement.

b. The CONTRACTOR shall ensure that the CONTRACTOR’s employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Agreement, and that all applicable licensing and operating requirements imposed or required under federal, HHSC, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied. Where the facility is JCAHO accredited, CONTRACTOR agrees to meet applicable JCAHO standards.

4. **CONTRACTOR EXCLUSION FROM FEDERAL PROGRAMS.** CONTRACTOR warrants that it and none of its employees, agents or subcontractors performing services or providing goods pursuant to this Agreement are excluded from participation in federal health care programs, as defined in the Social Security Act (Section 1128 and 1128A), and other federal laws and regulations relating to health care. HHSC reserves the right to verify that the above warranty is true and to immediately cancel this Agreement in the event it is violated.

5. **NONDISCRIMINATION.** No person performing work under this Agreement, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable Federal, HHSC, or County law.

6. **CONFLICTS OF INTEREST.** The CONTRACTOR represents that neither the CONTRACTOR, nor any employees or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR's performance under this Agreement.

7. **SUBCONTRACTS AND ASSIGNMENTS.** The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR's duties, obligations, or interests under this Agreement and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the HHSC and (ii) the CONTRACTOR's assignee or subcontractor submits to the HHSC a tax clearance certificate from the Director of Taxation, HHSC of Hawaii, showing that all delinquent taxes, if any, levied or accrued under HHSC law against the CONTRACTOR's assignee or subcontractor have been paid.

8. **INDEMNIFICATION AND DEFENSE.** The CONTRACTOR shall defend, indemnify, and hold harmless the HHSC, the HHSC, the contracting facility, and their directors, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees and all claims, suits, and demands therefor, arising out of or resulting from acts or omissions of the CONTRACTOR or the CONTRACTOR's employees, officers, agents, or subcontractors under this Agreement. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Agreement.

9. **COST OF LITIGATION.** In case the HHSC, the HHSC, the contracting facility, and their directors, officers, employees, and agents shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Agreement, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the HHSC, the HHSC, the contracting facility, and their directors, officers, employees, and agents, including attorney's fees.

10. **LIQUIDATED DAMAGES.** When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 11 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the HHSC the amount, if any, set forth in this Agreement per calendar day from the date set for cure until either (i) the HHSC reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR's delay or nonperformance is excused under paragraph 11.d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR shall remain liable for damages caused other than by delay.

11. **TERMINATION FOR DEFAULT.**

a. **Default.** If the CONTRACTOR refuses or fails to perform any of the provisions of this Agreement with such diligence as will ensure its completion within the time specified in this Agreement, or any extension thereof, or otherwise fails to timely satisfy the Agreement provisions, or commits any other substantial breach of this Agreement, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR's right to proceed with the Agreement or such part of the Agreement as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Agreement to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods and services.

b. **CONTRACTOR'S duties.** Notwithstanding termination of the Agreement and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the CONTRACTOR in which the HHSC or the HHSC has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the HHSC shall be at the price set forth in the agreement. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount. The HHSC may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the HHSC against loss because of outstanding liens or claims and to reimburse the HHSC for the excess costs expected to be incurred by the HHSC in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Agreement in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and failure arises out of causes such as; acts of God; acts of a Public enemy; acts of the HHSC and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Agreement. Upon request of the CONTRACTOR, the agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Agreement, the delivery schedule shall be revised accordingly, subject to the rights of the HHSC under this agreement. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR's right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 11.d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to such provision.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Agreement.

## **12. TERMINATION FOR CONVENIENCE.**

a. Termination. The Agency procurement officer may, when the interests of the HHSC so require, terminate this Agreement in whole or in part, for the convenience of the HHSC. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Agreement terminated and when termination becomes effective.

b. CONTRACTOR's obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the HHSC. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the HHSC in the manner and to the extent directed by the Agency procurement officer.

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Agreement; and

(3) The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the HHSC has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and

manufacturing materials. Use of this paragraph in no way implies that the HHSC has breached the Agreement by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 12d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Agreement price plus settlement costs reduced by payments previously made by the HHSC, the proceeds of any sales of goods and manufacturing materials under subparagraph 11c, and the Agreement price of the performance not terminated.

(3) Absent complete agreement under subparagraph 12d(1) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 12d(1) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Agreement;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have been sustained a loss if the entire Agreement would have completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 12.b. These costs must not include costs paid in accordance with subparagraph 12.d.(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Agreement and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this agreement. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the total Agreement price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 12.d.(1) and the Agreement price of performance not terminated.

**13. COST AND EXPENSES.** Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Agreement shall be subject to the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class airfare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the DIRECTOR is obtained, reimbursement for subsistence allowable (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-HHSC travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for HHSC officers and employees in the executive branch who are excluded from collective bargaining coverage.

**14. PAYMENT PROCEDURES; FINAL PAYMENT; TAX CLEARANCE.**

a. Original invoices required. All payments under this Agreement shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Agreement have been preformed by the CONTRACTOR according to the Agreement.

b. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

c. Final payment. Final payment under this Agreement shall be subject to section 103-53, HRS, which requires a tax clearance from the Director of Taxation, HHSC of Hawaii, showing that all delinquent taxes, if any, levied or accrued under HHSC laws against the CONTRACTOR have been paid.

**15. FEDERAL FUNDS.** If this Agreement is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Agreement to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds.

**16. MODIFICATIONS OF AGREEMENT.**

a. In writing. Any modification, alteration, amendment, change or extension of any term, provision, or condition of this Agreement permitted by this Agreement shall be made by written amendment to this Agreement, signed by the CONTRACTOR and the HHSC.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision or condition of this Agreement shall be permitted.

**17. CONFIDENTIALITY OF MATERIAL.**

a. All material given to or made available to the CONTRACTOR by virtue of this Agreement, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the HHSC.

b. All information, data, or other material provided by the CONTRACTOR to the HHSC shall be subject to the Uniform Information Practices Act, chapter 92F, HRS, as modified by chapter 323F.HRS.

**18. CORPORATE COMPLIANCE PROGRAM.** A description of the Corporate Compliance Program of HHSC is posted on the HHSC internet ([www.hhsc.org](http://www.hhsc.org)). The CONTRACTOR, by signing this contract, acknowledges that it has read said description, and that the CONTRACTOR knows of the fact and substance of the Corporate Compliance Program, which governs operations at all facilities of the HHSC. The CONTRACTOR understands and agrees that employees, agents, and contractors performing any services at any of the HHSC facilities shall be fully subject to such Corporate Compliance Program, as may be amended from time to time, as well as all federal program requirements and applicable policies and procedures of HHSC and its facilities. The Corporate Compliance Program requires periodic training, including an orientation program, of all people who provide financial, business office, personnel, coding, medical records information systems and clinical services in the facility. The CONTRACTOR agrees to cause its employees, agents and contractors who provide any services at any financial, business office, personnel, coding, medical records information systems and clinical services at any of the HHSC facilities to participate in the orientation and training programs.

**19. BUSINESS ASSOCIATE; PRIVACY AND SECURITY ADDENDUM.** By signing this contract, CONTRACTOR acknowledges that it is a Business Associate of HHSC within the meaning of the federal privacy and security laws as HHSCd in 45 C.F.R. Parts 160 and 164, Subparts A, C, and E. CONTRACTOR further acknowledges that it has read the Privacy and Security Addendum, which is posted on the HHSC internet ([www.hhsc.org](http://www.hhsc.org)) and is applicable to all Business Associates. Said Privacy Addendum is hereby incorporated by reference and made a part of this agreement as if fully repeated herein. By signing this contract, CONTRACTOR agrees to fully comply with, and be bound by, all the terms set forth in the Privacy and Security Addendum.

**20. PUBLICITY.** The CONTRACTOR shall not refer to the HHSC or any office, agency, or Officer thereof, or any HHSC employee, including the head of the purchasing agency, the DIRECTOR, the Agency procurement officer, the HHSC Board of Directors, or to the services or goods, or both, provided under this Agreement, in any of the



CONTRACTOR's brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Agreement shall be referred to the Agency Procurement officer.

**21. OWNERSHIP RIGHTS AND COPYRIGHT.** The HHSC shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Agreement, and all such material shall be considered "works made for hire." All such material shall be delivered to the HHSC upon expiration or termination of this Agreement. The HHSC, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Agreement.

**22. LIENS AND WARRANTIES.** Goods provided under this Agreement shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Agreement documents, whichever are greater.

**23. ACCESS TO BOOKS AND RECORDS.** If the value or cost of Services rendered to HHSC pursuant to this Agreement is Ten Thousand Dollars (\$10,000.00) or more over a twelve-month period, CONTRACTOR agrees as follows:

a. Until the expiration of four (4) years after the furnishing of such services, CONTRACTOR shall, upon written request, make available to the Secretary of the Department of Health and Human Services (the "Secretary"), the Secretary's duly-authorized representative, the Comptroller General, or the Comptroller General's duly-authorized representative, such books, documents, and records as may be necessary to certify the nature and extent of the cost of such Services; and

b. If any such Services are performed by way of subcontract with another organization and the value or cost of such subcontracted Services is Ten Thousand Dollars (\$10,000.00) or more over a twelve-month period, such subcontract shall contain and CONTRACTOR shall enforce a clause to the same effect as paragraph 23.a immediately above. The availability of CONTRACTOR's books, documents and records shall be subject at all times to all applicable legal requirements, including without limitation, such criteria and procedures for seeking and obtaining access that may be promulgated by the Secretary by regulation. The provisions of paragraphs 23.a. and 23.b. shall survive the expiration or other termination of this Agreement, regardless of the cause of such termination.

**24. ANTITRUST CLAIMS.** The HHSC and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to HHSC any and all claims for overcharges as to goods and materials purchased in connection with this Agreement, except as to overcharges which result from violations commencing after the price is established under this Agreement and which are not passed on to the HHSC under an escalation clause.

**25. GOVERNING LAW.** The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties to this Agreement, shall be governed by the laws of the HHSC of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Agreement shall be brought in a HHSC court of competent jurisdiction in Honolulu, Hawaii.

**26. COMPLIANCE WITH LAWS.** The CONTRACTOR shall comply with all federal, HHSC, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Agreement.

**27. ENTIRE AGREEMENT.** This Agreement sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the HHSC and the CONTRACTOR relative to this Agreement. This Agreement supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the HHSC and the CONTRACTOR other than as set forth or as referred to herein.

**28. SEVERABILITY.** In the event that any provision of this Agreement is declared invalid or unenforceable by a court, such invalidity or non-enforceability shall not affect the validity or enforceability of the remaining terms of this Agreement.

**29. WAIVER.** The failure of the HHSC to insist upon the strict compliance with any term, provision, or condition of this Agreement shall not constitute or be deemed to constitute a waiver or relinquishment of the HHSC's right to enforce the same in accordance with this Agreement. The fact that the HHSC specifically refers to one provision of

the law, and does not include other provisions shall not constitute a waiver or relinquishment of the HHSC's rights or the CONTRACTOR's obligations under the law.

## **GLOSSARY OF TERMS**

**Access Rights** A security mechanism that lets the system administrator determine which objects (folders, document, etc.) users can open. It should be possible to set access rights for groups and individuals.

**Archive** is the long-term storage of data or images. Archiving is generally accomplished on some form of magnetic media; such as disk or tape, or optical media; such as Writable CD.

**Audit Trail** An electronic means of tracking all access to a system, document or record, including the modification, deletion and addition of documents and records.

**Caching (Of Images)** The temporary storage of image files on a hard disk for later migration to permanent storage, like an optical or CD jukebox.

**Contract** is a broadly used term that refers to word-processing files, e-mail messages, spreadsheets, database tables, faxes, business forms, images, or any other collection of organized data. Contracts are also referred to as 'records.'

**Contract Management System** enable you to store contracts electronically. This facilitates the process of retrieving, sharing, tracking, revising, and distributing contracts and the information they contain.

**Data** The generic name for anything input to, output from, or stored in a computer. All data must be in digital format.

**Digital Archiving** Web-based solutions for retention of electronic message, images and computer output.

**Document Retrieval** is the process by which you can search and 'retrieve' an archived document from a database. This is done by entering information in a database query screen.

**Electronic Documents** are documents that are stored on a computer. The documents may have been created on a computer, as with word-processing files and spreadsheets, or they may have been converted into digital documents by means of document imaging. Electronic documents are also referred to as digital documents

**Electronic Vaulting** The process of providing an on-line backup and recovery solution for all critical media on both servers and PCs.

**Export** The process of transporting data from one computer, program, type of file format, or device to another.

**File** A collection of information, such as text, data, or images saved on a disk or hard drive.

**File Format** A type of program or data file.

**Hardware** The 'nuts and bolts' of the computer, that includes the monitor, CPU, printers, disc drives, and etc.

**HIPAA** In 1996, the U.S. legislature passed into law the Health Insurance Portability and Accountability Act, which regulates the handling of health claim data, including formats, code sets and individuals with access to claims.

**Network Security** Refers to the measures taken to protect a set of computers from threats posed by hackers, viruses, thieves and other destructive forces. A secure network has the ability to protect the system of computers from these forces.

**Offeror** is the respondent. The term "Contractor" or Offeror" are used interchangeably in this RFP. The logical progression in terms is from Offeror to award, to Contractor.

**Open Source** Computer programs or operating systems for which the source code is publicly available are referred to as open-source software. Inherent in the open source philosophy is the freedom of a distributed community of programmers to modify and improve the code.

**Open Architecture** Applied to hardware or software whose design allows for a system to be easily integrated with third-party devices and applications.

**Optical Discs** Computer media similar to a compact disc that cannot be rewritten. An optical drive uses a laser to read the stored data.

**Record** Information, regardless of medium, that constitutes evidence of an organization's business transactions.

**Records Management** It is a set of recognized practices related to the life cycle of that information. Most often, records refer to documents, but they can include other forms of information, such as photographs, blueprints, or even books. Records management requires the application of systematic controls to the creation, maintenance and destruction of an organization's records.

**Retention Period** is the length of time documents must be stored and maintained to satisfy business or legal requirements. Records not authorized for destruction are designated for permanent retention.

**Scaleable** A contract management system is said to be 'scaleable' if its capabilities can be increased to support additional users.

**Scalability** focuses on the performance of your Web sites, hardware and software products, and internal applications at all the stages from minimum to maximum load.

**Security** Can refer to either **Computer** or **Network**. **Computer** security refers to the measures taken to protect computers from threats posed by hackers, viruses, thieves

and other destructive forces. A secure computer has the ability to protect itself and the information it houses from these forces. See also **Network Security**.

**Site license** A license that gives permission to use a software package on more than one system. Site licenses are a means of providing a bulk rate to companies and schools that want to use software on many computers.

**Software** The programs, routines, and symbolic languages that control the functioning of the hardware and direct its operation.

**Source code** Computer programs or operating systems are originally written by a human being in a programming language. This is called the source code of the software. To be actually used by a computer, the program has to be translated by the computer from the source code into the machine language that the computer understands and can execute. This translation process is referred to as compiling.

**SQL** Structured Query Language. The popular standard for running, database searches (queries) and reports.

**“State”** – Refers to The State of Hawaii.

**Templates, Document** Sets of index fields for documents.

**Turnkey system** A complete system of hardware, software, and services delivered to the customer ready-to-run. In other words, just "turn the key" and go.

**Workflow Software** allows businesses to move electronic documents along a user-defined 'routing' path, from one workstation to the next, around a local or wide-area network. Once the document arrives at any given workstation, the receiver can add notations to, or modify, the document as they see fit. An insurance company might use workflow software to route claim forms through their organization. A user at one step might wish to review the forms and add a new document to the electronic 'package' before sending it to the next workstation. The next user might wish to add several notations to the forms before sending it on to the final workstation for approval. The route can be as simple or as complex as a business process requires.

## APPENDIX H

### **HHSC Contract Templates**

Available upon request

## **APPENDIX H**

### Hawaii Compliance Express Instructions